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RECEIVED

FEB - 8 2006

PUBLIC SERVICE
COMMISSION

VIA OVERNIGHT MAIL

February 7, 2006

Ms. Elizabeth O'Donnell
Executive Director,
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

original

Re: The Annual Cost Recovery Filing for Demand Side Management by ULH&P
Case No. 2005-00402

Dear Ms. O'Donnell:

Enclosed please find an original and twelve (12) copies of the Motion of The Union Light, Heat and Power Company to Bifurcate in the above-referenced case.

Please date-stamp the extra copies of the Motion and return to me in the envelope provided.

Should you have any questions, please contact me at (513) 287-3601.

Sincerely,

John J. Finnigan, Jr.
Senior Counsel

Enclosures

cc: Parties of interest (w/encl.)

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter Of:)
THE ANNUAL COST RECOVERY FILING) CASE No. 2005-00402
FOR DEMAND SIDE MANAGEMENT BY)
THE UNION LIGHT, HEAT AND POWER COMPANY)

MOTION OF THE UNION LIGHT, HEAT AND POWER COMPANY
TO BIFURCATE
REQUEST FOR INCREASED FUNDING FOR
COMMERCIAL & INDUSTRIAL HIGH ENERGY EFFICIENCY PROGRAM
PORTION OF ANNUAL COST RECOVERY FILING
FOR DEMAND SIDE MANAGEMENT
AND TO ESTABLISH COMMENT PERIOD FOR
PERSONALIZED ENERGY REPORT PILOT PROGRAM

The Union Light, Heat and Power Company ("ULH&P") respectfully requests that the Commission bifurcate these proceedings such that the Commission issue a decision as soon as practicable on ULH&P's request for approval of a increased funding for the Commercial and Industrial High Energy Efficiency Program ("the HEE Program") of ULH&P's pending application for approval of Demand Side Management programs. ULH&P also requests that the Commission establish a comment period for the Personalized Energy Report Pilot Program ("the PER Program") portion of ULH&P's application.

I. Request for Increased Funding for Commercial and Industrial High Energy Efficiency Program

ULH&P has reached agreement with the Commercial and Industrial Collaborative to implement increased funding for the HEE Program. As reported in ULH&P's January 17, 2006 filing in this case, ULH&P originally requested funding of \$149,972 for this program. This was a reduction from the \$454,963 in funding approved by the Commission in Case

No. 2004-00389. ULH&P requested lower funding because there appeared to be little customer interest, and there were fewer energy efficiency options available. Since that time, however, customers have expressed great interest in the program, probably due to recent high energy prices.

ULH&P's January 17, 2006 filing requested to increase funding for this program back to \$454,963. The Commercial and Industrial Collaborative agrees with this request. ULH&P now requests that the Commission bifurcate this issue and decide it as soon as practicable because the current funding for the program is essentially exhausted. ULH&P submits that good cause exists for the Commission to decide this issue as soon as practicable in order to make this program available to customers who can benefit from these energy efficiency options, at similar participation levels approved by the Commission in Case No. 2004-00389.

II. Request for Comment Period for Personalized Energy Report Pilot Program

The remainder of ULH&P's application also has the support of the Residential and Commercial and Industrial Collaborative, except that the Attorney General has not yet commented on the PER Program, which ULH&P proposed in its January 17, 2006 filing. ULH&P respectfully requests that the Commission establish a comment period on this issue, with the Attorney General's comments due on March 7, 2006 and ULH&P's reply comments due on March 12, 2006. ULH&P has consulted with the Attorney General's office and, upon information and belief, this schedule is acceptable to the Attorney General.

WHEREFORE, ULH&P respectfully requests that the Commission approve this request for bifurcation and comment period as requested herein.

Respectfully submitted,

THE UNION LIGHT, HEAT AND POWER COMPANY

By: 

John J. Finnigan, Jr.,
Senior Counsel
(Attorney No. 86657)
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CERTIFICATE OF SERVICE

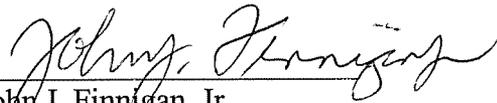
I hereby certify that a copy of the foregoing filing was served on the following via ordinary United States mail, postage prepaid, this 7th day of February, 2006:

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